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PRESS RELEASE
Railyard Cinemas

SANTA FE, NM The Santa Fe Railyard Community Corporation ("SFRCC") wishes to announce that Violet Crown Cinemas of Austin, Texas has been selected as its first choice to develop a new cinema in the Santa Fe Railyard.

After a national outreach campaign, SFRCC is convinced that Violet Crown's proposal best accomplishes the goals set forth by the Board and publicly articulated in the press in November. Violet Crown's successful and innovative model cinema in Austin, Texas demonstrates their ability to create the right fit for a cinema for the Railyard and for the City of Santa Fe. Their proposal calls for a total of 600 seats - 10 screens with 50 seats each and one with 100 seats - all with stadium seating and state of the art audio and projection facilities. Four auditoriums will be above ground and seven below grade. Their excellent architectural design conforms to the Railyard Master Plan Architectural Design Guidelines, imaginatively embracing the Railyard aesthetic and within already established height limits. The 16,042 SF surface footprint will fit within the cinema parcel situated between the Market Station building and Santa Fe Clay. This means that Santa Fe Clay could continue its current lease. The El Museo building will be unaffected.

The design features a 3,200 SF informal restaurant/café facing onto the Railyard Plaza, a destination in itself which will be open to the public, whether they are attending a movie or not, for lunch and dinner. Patrons will be able to purchase food items, beer and wine for consumption in the café/lounge or in the movie auditoriums.

Programming will include a mix of mainstream, independent and Spanish language films. Violet Crown, with its history of community engagement, will also seek to participate in local film festivals and work with local schools to provide auditorium space and educational film screenings during weekday daytime hours. In addition, the 100 seat theatre will be available for meetings and special event use. All seating will be reserved and available for purchase online or at the cinema. Ample parking will be available in the adjacent underground Railyard parking garage.

Violet Crown Cinema was selected after exhaustive national outreach to 26 potential cinema developers/operators. Four proposals were received and analyzed by the SFRCC Board. SFRCC engaged the services of Pete Warzel, former chairman of the National Association of Theater Owners, as a consultant to conduct the outreach. The proposals were analyzed based on quality of the physical development plan, size, impact on the Railyard and financial viability. Violet Crown will enter into negotiations on a ground lease with SFRCC and provide 100% of the funding to develop the building. They will be both the developer of the building and operator of the cinema. It is anticipated that they will not require variances to any City of Santa Fe or Railyard Master Plan building

restrictions. In accordance with City of Santa Fe requirements, the cinema building will be reviewed in an Early Neighborhood Notification meeting and is subject to approval by the Planning Commission.

Violet Crown is a Southwest regional movie exhibitor owned by Mr. Bill Banowsky. Mr. Banowsky began his career in the film industry in 2001 when he co-founded Magnolia Pictures, an exhibition and film distribution company in Dallas, Texas. Magnolia Pictures was sold in 2003. In 2004, Mr. Banowsky became the CEO of Landmark Theatres and served in that capacity until 2007. At Landmark Mr. Banowsky operated over 60 theaters and 220 screens in more than 20 large U.S. markets. In 2008, Mr. Banowsky started Carolina Cinemas, with three theaters and 42 screens in Asheville, Charlotte and Raleigh, NC. The flagship Violet Crown cinema was built in Austin in 2010 where it presents a mix of first-run commercial and independent films and hosts the annual South by Southwest Film Festival.

Other proposals presented designs with footprints up to 42,000 SF, required significant architectural variances and in some cases the financial participation of the City of Santa Fe. SFRCC is very pleased to announce its selection of Violet Crown as a cinema whose size, style and programming is custom-fit for the needs of the Railyard Community.

The Santa Fe Railyard Community Corporation (SFRCC), a private non-profit corporation, is responsible for the construction, public use management, and leasing and property management of the newly revitalized Railyard, pursuant to a Lease and Management agreement with the City of Santa Fe.

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For more information, please refer to our website, www.sfrailyardcc.org for real estate and business-related matters and www.railyardsantafe.com for information on events, transportation connections and a full tenant directory for the Railyard.